

Understanding your rates

The Cost Of Electricity

Many factors – including fuel costs, system improvements and environmental concerns – affect the cost of producing electricity and, in turn, the price you pay.

At Duke Energy Progress (DEP), we are continuously balancing these factors to deliver reliable electricity, cleaner air and reasonable rates. It's all part of our commitment to the 1.3 million North Carolina families and businesses that depend on us every day.

How Rates Are Set

Electric rates are set by the North Carolina Utilities Commission (NCUC), not by DEP. Therefore, we go through a detailed public process when requesting a change in our prices.

As a regulated utility, we must prove that our expenses are reasonable and necessary to ensure reliable electricity for our customers. We must also prove that we are making prudent plans for the future. The NCUC reviews all information and takes comments from the public before making a decision.



Ensuring your lights are on 24/7

From the power plant to your home, a strong system means better reliability. In 2011, we invested nearly \$1.2 billion in your local electric system.

How the process works:



Duke Energy Progress files a request with the NCUC.



Customers and consumer advocates express their opinions.



The NCUC reviews the request.



The NCUC makes the final decision.

Understanding your rates | 2

Investing In Our Future

The cost of safe, reliable electricity includes maintaining and improving a huge, complex system. Many parts of our system here in the Carolinas date back half a century – and need to be rebuilt or replaced.

We are in the process of making vital system upgrades, including the retirement of old coal-fired plants. These projects will help reduce outages, lower emissions and ensure reliable, affordable and cleaner power for today and tomorrow.

Save Energy And Money

One of the best ways to manage your energy costs is by improving your energy efficiency. DEP has created more than a dozen new programs, including rebates for energy-saving home improvements, discounts on CFLs and cash payments for your old fridge or freezer. Learn more at duke-energy.com/progress/save.

Managing Our Costs

We know that keeping prices as low as possible is important. That's why we carefully control our expenses to provide outstanding service and reliability as efficiently as possible.

For example, a large component of your bill is the fuel needed to run our power plants. This expense depends upon the cost of fuel in today's marketplace. DEP makes no profit on this portion of your bill – you pay what we pay.

We can't control the global factors that affect the cost of fuels – but we can and do control how efficiently we operate our power plants and delivery systems.

Want more information on your rates?
Please visit duke-energy.com/progress/ncrates

Updating the power system

Some of the coal-fired plants on our system have been in operation for more than 70 years. DEP is currently retiring older, less-efficient coal plants and replacing them with newer, cleaner and more cost-effective natural gas plants.

